

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2718 – SB 2828**

February 11, 2012

**SUMMARY OF BILL:** Authorizes the Alarm Systems Contractors Board (Board) to deny an application for certification or licensure after providing notice and a hearing, under specified circumstances.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$300,000/Alarm Systems Contractors Board**

**Other Fiscal Impact – In FY10-11, the Board had a closing balance of \$422,310. The \$300,000 increase in expenditures will require the Board to raise license fees in order to remain self-sufficient. The exact amount of revenue that will be required is unknown.**

**Assumptions:**

- According to the Department of Commerce and Insurance and the Board, during the first six months of FY11-12, the Board denied approximately 200 applications.
- According to the Board, a hearing costs approximately \$750 per case.
- The Board anticipates holding approximately 400 hearings annually beginning in FY12-13, resulting in a recurring increase in state expenditures of \$300,000 (\$750 per hearing x 400 hearings).
- Pursuant to Tenn. Code Ann. § 56-1-311(a), applicants who do not prevail in a contested case hearing can be assessed administrative costs associated with the hearing; however, based upon information provided by the Board, such costs are generally not recoupable.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Board had closing balances of \$632,275 in FY09-10, and \$422,310 in FY10-11.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/sbh